

House Bill 775

By: Representatives Powell of the 32<sup>nd</sup> and Maxwell of the 17<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

To amend Chapter 39A of Title 43 of the Official Code of Georgia Annotated, relating to real estate appraisers, so as to change certain provisions relating to real estate management companies; to revise and provide for definitions; to provide requirements for the establishment and maintenance of a real estate appraisal management company; to authorize the Georgia Real Estate Appraisers Board to establish certain rules and regulations for appraisal management companies and to collect and remit certain fees; to authorize the board to take disciplinary action against appraisal management companies; to revise certain requirements relating to the board's authority to investigate certain violations; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Chapter 39A of Title 43 of the Official Code of Georgia Annotated, relating to real estate appraisers, is amended by revising Code Section 43-39A-2, relating to definitions, as follows:

"43-39A-2.

As used in this chapter, the term:

(1) 'Affiliate' means any company that controls, is controlled by, or is under common control with another company.

~~(1)~~(2) 'Analysis' means a study of real estate or real property other than one estimating value.

~~(2)~~(3) 'Appraisal' or 'real estate appraisal' means an analysis, opinion, or conclusion prepared by an appraiser relating to the nature, quality, value, or utility of specified interests in, or aspects of, identified real estate. An appraisal may be classified by subject matter into either a valuation or an analysis.

~~(3)(A)~~(4)(A) 'Appraisal management company' means a person ~~who for compensation~~ that:

~~(i) Functions as a third-party intermediary between an appraiser and a user of real estate appraisal services; Provides appraisal management services to creditors or to secondary mortgage market participants, including affiliates;~~

~~(ii) Administers a network of appraisers performing real estate appraisal services as independent contractors; Provides such services in connection with valuing a consumer's principal dwelling as security for a consumer credit transaction or incorporating such transactions into securitizations; or~~

~~(iii) Enters into an agreement to provide real estate appraisal services with a user of such services and one or more appraisers performing such services as independent contractors; or Within a 12 month period, oversees an appraiser panel of more than 15 state certified or state licensed appraisers in one state or 25 or more state certified or state licensed appraisers in two or more states as described in Code Section 43-39A-14.3.~~

~~(iv) Otherwise serves as a third-party broker of appraisal services.~~

(B) 'Appraisal management company' ~~does not include~~ shall not mean:

(i) Any person licensed to practice law in this state who orders an appraisal in connection with a bona fide client relationship when that person directly contracts with an appraiser;

(ii) Any person ~~who~~ that contracts with an appraiser acting as an independent contractor for the completion of a real estate appraisal assignment and ~~who~~ that, upon the completion of such an assignment, cosigns the appraisal report with the appraiser who is acting as an independent contractor;

(iii) Any federal, state, or local government or any of its departments, agencies, or authorities that order appraisals;

(iv) Any person ~~who~~ that orders an appraisal on behalf of any federal, state, or local government or its departments, agencies, or authorities as an employee thereof; ~~or~~

(v) A relocation company; or

(vi) A department or division of an entity that provides appraisal management services only to such entity.

~~(4) 'Appraisal management services' means services performed by an appraisal management company and may include, but are not limited to, such activities as recruiting appraisers, contracting with appraisers to perform real estate appraisal activity, negotiating fees for appraisals, receiving appraisal orders and appraisal reports, and submitting appraisal reports received from appraisers to clients.~~

(5) 'Appraisal Management Company National Registry' means the registry of state registered appraisal management companies and federally regulated appraisal management companies maintained by the Appraisal Subcommittee.

(6) 'Appraisal management services' means:

(A) Recruiting, selecting, and retaining appraisers;

(B) Contracting with state certified or state licensed appraisers to perform appraisal assignments;

(C) Managing the process of having an appraisal performed, including providing administrative services such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and secondary mortgage market participants, collecting fees from creditors and secondary mortgage market participants for services provided, and paying appraisers for services performed; or

(D) Reviewing and verifying the work of appraisers.

(5)(7) 'Appraisal report' means any communication, written or oral, of an appraisal. For purposes of this chapter, the testimony of an appraiser dealing with the appraiser's analyses, conclusions, or opinions concerning identified real property is deemed to be an oral appraisal report.

(6)(8) 'Appraisal review' means the act or process of developing and communicating an opinion about the quality of another appraiser's work that was performed as part of an appraisal assignment, except that an examination of an appraisal for grammatical, typographical, or other similar errors shall not be an appraisal review.

(7)(9) 'Appraisal Subcommittee' means the ~~designees of the heads of the federal financial institutions regulatory agencies established by~~ Appraisal Subcommittee of the Federal Financial Institutions Examination Council established pursuant to 12 U.S.C. Section 3310 Act of 1978 (12 U.S.C. Section 3301, et seq.), as amended.

(8)(10) 'Appraiser' means any ~~person~~ individual who, for a valuable consideration or with the intent or expectation of receiving the same from another, engages in real estate appraisal activity on any type of real estate or real property.

(9)(11) 'Appraiser classification' means any category of appraiser which the board creates by designating criteria for qualification for such category and by designating the scope of practice permitted for such category, including the registration of real estate appraisal management companies.

(10)(12) 'Appraiser panel' means a ~~group of independent appraisers selected to perform an appraisal valuation or analysis for an appraisal management company~~ network, list, or roster of licensed or certified appraisers approved by an appraisal management company to perform appraisals as independent contractors for the appraisal management company.

(11)(13) 'Board' means the Georgia Real Estate Appraisers Board established pursuant to the provisions of this chapter.

~~(12)~~(14) 'Certified appraisal' or ~~'certified appraisal'~~ 'appraisal report' means an appraisal or appraisal report given, signed, and certified as such by a certified real estate appraiser. A certified appraisal or appraisal report represents to the public that it meets the appraisal standards defined in this chapter.

~~(13)~~(15) 'Client' means any person ~~who~~ that enters into an agreement with an appraiser or an appraisal management company for the performance of real estate appraisal activity.

~~(14)~~(16) 'Commission' means the Georgia Real Estate Commission created in Code Section 43-40-2.

~~(15)~~(17) 'Commissioner' means the real estate commissioner.

(18) 'Consumer credit' means credit offered or extended to a consumer primarily for personal, family, or household purposes.

~~(16)~~(19) 'Controlling person' means:

(A) An owner, officer, or director of a corporation, partnership, or other business entity seeking to offer appraisal management services in this state;

(B) An individual employed, appointed, or authorized by an appraisal management company who has the authority to enter into a contractual relationship with other persons for the performance of appraisal management services and has the authority to enter into agreements with appraisers for the performance of appraisals; or

(C) An individual who possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of an appraisal management company.

(20) 'Covered transaction' means any consumer credit transaction secured by the consumer's principal dwelling.

(21) 'Creditor' means a person that regularly extends consumer credit that is subject to a finance charge or is payable by written agreement in more than four installments (not including a down payment) and to which the obligation is initially payable, either on the face of the note or contract or by agreement when there is no note or contract.

(22) 'Dwelling' means a residential structure that contains one to four units, whether or not that structure is attached to real property. Such term includes an individual condominium unit, cooperative unit, mobile home, and trailer, if it is used as a residence.

~~(17) 'Evaluation assignment' means an engagement for which an appraiser is employed or retained to give an analysis, opinion, or conclusion that relates to the nature, quality, or utility of identified real estate or identified real property.~~

~~(18)~~(23) 'Federally related transaction' means any real estate related financial transaction which (A) a federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates; and (B) requires the services of an appraiser.

(24) 'Federally regulated appraisal management company' means an appraisal management company that is owned and controlled by an insured depository institution, as defined in 12 U.S.C. Section 1813 and regulated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation.

~~(19)~~(25) 'Independent appraisal assignment' means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested third party in rendering an unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility of identified real estate or identified real property.

~~(20)~~(26) 'Owner' means any person who owns 5 10 percent or more of an appraisal management company.

~~(21)~~(27) 'Person' means ~~an individual, partnership, limited liability company, limited partnership, corporation, association, or any other legal or commercial entity~~ a natural person or an organization, including a corporation, limited liability company, partnership, proprietorship, association, cooperative, estate, trust, or government unit.

~~(22)~~(28) 'Real estate' means condominiums and leaseholds as well as any other interest or estate in land, whether corporeal, incorporeal, freehold, or nonfreehold and whether the real estate is situated in this state or elsewhere. Such term also includes any structure or structures equipped with the necessary service connections and made so as to be readily moveable as a unit or units when such a structure is affixed to land.

~~(23)~~(29) 'Real estate appraisal activity' means the act or process of valuation of real estate or real property and preparing an appraisal report.

~~(24)~~(30) 'Real estate related financial transaction' means any transaction involving:

(A) The sale, lease, purchase, or exchange of or investment in real estate or real property or the financing thereof;

(B) The refinancing of real estate or real property; and

(C) The use of real estate or real property as security for a loan or investment, including mortgage backed securities.

~~(25)~~(31) 'Real property' means one or more defined interests, benefits, and rights inherent in the ownership of real estate.

~~(25.1)~~(32) 'Relocation company' means a business entity that acts as an agent or contractor of an employer for the purposes of relocating the employees of such employer and determining an anticipated sales price of the residences of the employees being relocated.

(33) 'Regularly extends consumer credit' means:

(A) Extending credit (other than credit subject to the requirements of 12 C.F.R. 1026.32) more than five times for transactions secured by a dwelling in the preceding calendar year;

(B) Extending credit (other than credit subject to the requirements of 12 C.F.R. 1026.32) more than five times for transactions secured by a dwelling in the current calendar year if credit was not extended more than five times in the preceding calendar year; or

(C) Originating in a 12 month period more than one credit extension that is subject to the requirements of 12 C.F.R. 1026.32 or one or more such credit extensions through a mortgage broker.

(34) 'Secondary mortgage market participant' means a guarantor or insurer of mortgage-backed securities or an underwriter or issuer of mortgage-backed securities. Such term only includes an individual investor in a mortgage-backed security if such investor also serves in the capacity of a guarantor, insurer, underwriter, or issuer for the mortgage-backed security.

~~(26)~~(35) 'Specialized services' means services, other than independent appraisal assignments which are performed by an appraiser. Specialized services may include marketing, financing, and feasibility studies; valuations; analyses; and opinions and conclusions given in connection with activities such as real estate brokerage, mortgage banking, real estate counseling, and real estate tax counseling.

~~(27)~~(36) 'State' means any state, ~~district, territory, possession, or province~~ of the United States ~~or Canada, the District of Columbia, and any sovereign nation or any political subdivision of such sovereign nation~~ the territories of Guam, the Northern Mariana Islands, Puerto Rico, and the United States Virgin Islands.

~~(28)~~(37) 'Valuation' means an estimate of the value of real estate or real property.

~~(29) 'Valuation assignment' means an engagement for which an appraiser is employed or retained to give an analysis, opinion, or conclusion that estimates the value of an identified parcel of real estate or identified real property at a particular point in time."~~

## SECTION 2.

Said chapter is further amended by revising paragraph (2) of subsection (b) of Code Section 43-39A-7, relating to applications for appraiser classifications, registration, and confidentiality, as follows:

"(2) The registration required by paragraph (1) of this subsection shall, ~~at a minimum,~~ include the following:

(A) Be subject to the ownership limitations set forth in subsection (a) of Code Section 43-39A-14.1;

(B) Apply only to an appraisal management company that is not owned and controlled by an insured depository institution and not regulated by a federal financial institutions regulatory agency;

~~(A)(C)~~ Name Provide the name of the entity seeking registration;

~~(B)(D)~~ Business Provide the business address of the entity seeking registration which must be located and maintained within this state;

~~(C)(E)~~ Telephone Provide the telephone contact information and the e-mail address of the entity seeking registration;

~~(D)(F)~~ If the entity is not a corporation that is domiciled in this state, provide the name and contact information for the company's agent for service of process in this state;

~~(E)(G)~~ The Provide the name, address, and contact information for any individual or any corporation, partnership, or other business entity that owns 5 10 percent or more of the appraisal management company;

~~(F)(H)~~ The Provide the name, address, and contact information for a designated controlling person to be the primary communication source for the board;

~~(G)(I)~~ A Provide a certification that the entity has a system and process in place to verify that a person being added to the appraiser panel of the appraisal management company for appraisal services to be performed in Georgia holds a license or certification in good standing in Georgia pursuant to this chapter. Additionally, the board shall be authorized to verify that the appraisers on the appraisal management company's appraiser panel hold a valid Georgia classification;

~~(H)(J)~~ A Provide a certification that the entity has a system in place to review the work of all appraisers who are performing real estate appraisal services for the appraisal management company on a periodic basis to validate that the real estate appraisal services are being conducted in accordance with the standards for real estate appraisals established by the board;

~~(I)(K)~~ A Provide a certification that the entity maintains a detailed record of each service request that it receives for appraisal services within the State of Georgia and the name, address, and telephone number of the appraiser who performs the requested real estate appraisal services for the appraisal management company;

~~(J)(L)~~ An Require an irrevocable consent to service of process; and

~~(K)(M)~~ Any Require any such other information as the board shall ~~require~~ seek."

### SECTION 3.

Said chapter is further amended by revising subsection (a) of Code Section 43-39A-8, relating to establishment of appraiser classifications, complying with federal law, continuing education courses, and approval of instructors, as follows:

"(a) The board is authorized to establish through its rules and regulations such appraiser classifications and appraisal management company registrations as are necessary to comply with federal law in order to assure that Georgia has appropriate classifications of appraisers and registrations of appraisal management companies authorized to appraise in federally related transactions. The board shall also create a classification of appraiser to appraise in nonfederally related transactions and for which applicants need only to meet education standards established by the board through its rule and regulations."

#### SECTION 4.

Said chapter is further amended by revising subsection (l) of Code Section 43-39A-11, relating to fees, reactivation and reinstatement standards for appraiser classifications, and proof of financial responsibility of a real estate appraisal management company, as follows:

"(l) The board is authorized to collect and forward to the Federal Financial Institutions Examination Council the annual registry fee required for appraisers who perform or seek to perform appraisals in federally related transactions as set forth in 12 U.S.C. Section 3338 and to submit to the Appraisal Subcommittee, no less than annually, a roster listing real estate appraisers who have appraiser classifications suitable for inclusion in the federal registry. In addition, the board is authorized to collect and forward to the Appraisal Subcommittee any annual appraisal management company registry fees as may be established by federal law."

#### SECTION 5.

Said chapter is further amended by revising Code Section 43-39A-13, relating to the power of board to regulate, discipline, and establish standards and power to enter contracts, as follows:

"The board, through its rules and regulations, shall have the full power to regulate the issuance of appraiser classifications and registrations, to discipline appraisers and appraisal management companies in any manner permitted by this chapter, to establish qualifications for appraiser classifications and registrations consistent with this chapter, to regulate approved courses, to establish standards for real estate appraisals, and to establish standards consistent with this chapter for appraisal management companies operating within the State of Georgia. Except for conducting an investigation as provided in this chapter, the board is authorized to enter into such contracts as are necessary to carry out its duties under this chapter; provided, however, that the board may enter into contracts to assist it in the conduct of investigations authorized by this chapter only whenever it needs special legal or appraisal expertise or other extraordinary circumstances exist. Whenever the board contracts to perform such investigative functions, any such contractor working on an



investigation authorized by this chapter shall be under the supervision of the board or a duly authorized representative of the board. Any contractor used by the board shall be knowledgeable in the work area for which such contractor is retained. A contractor shall not be empowered to determine the disposition of any investigation nor to make any discretionary decision that the board is authorized by law to make. Notwithstanding any other provision of law, the board is authorized to retain all funds received as collection fees for use in defraying the cost of collection of fees required under this chapter. Any such funds not expended for this purpose in the fiscal year in which they are generated shall be deposited in the state treasury; and provided, however, that nothing in this Code section shall be construed so as to allow the board to retain any funds required by the Constitution to be paid into the state treasury; provided, further, that the board shall comply with all provisions of Part 1 of Article 4 of Chapter 12 of Title 45, the 'Budget Act,' except Code Section 45-12-92, prior to expending any such funds."

## SECTION 6.

Said chapter is further amended by revising Code Section 43-39A-14.1, relating to the requirements for the establishment and maintenance of a real estate appraisal management company, as follows:

"43-39A-14.1.

(a) An appraisal management company subject to state registration pursuant to Code Section 43-39A-7 shall not be registered in this state or reported to the Appraisal Management Company National Registry if such appraisal management company, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license, certificate, or classification refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any state for a substantive cause.

(b) An appraisal management company subject to state registration pursuant to Code Section 43-39A-7 shall not be barred by subsection (a) of this Code section from being registered in this state or reported to the Appraisal Management Company National Registry if the appraiser license of the appraiser with an ownership interest was not refused, denied, cancelled, surrendered in lieu of revocation, or revoked for a substantive cause and has been reinstated in this state or states in which the appraiser was licensed or certified.

(c) If after review of an original application or a renewal application the board determines that an applicant for an appraisal management company registration has not met the requirements for receiving such registration, the board shall be authorized to deny such application; otherwise, the board is authorized to grant such application.

(d) The board is authorized to register an applicant for an appraisal management company if it complies with the requirements set forth in this chapter and the board determines that

the issuance of such registration would be consistent with the public interest. In determining the public interest, the board shall be authorized to conduct a background investigation on each person that owns more than 10 percent of the appraisal management company and consider the following factors:

(1) Existence of good moral character with regard to reputation for honesty, trustworthiness, and integrity, as determined by the board;

(2) Compliance with applicable state and local laws;

(3) Any convictions, as such term is defined in Code Section 43-39A-14;

(4) False or fraudulent material in any application filed under this chapter; and

(5) Any other factors the board deems relevant to and consistent with the public interest.

(a)(e) Each appraisal management company applying to the board for registration shall designate a controlling person ~~who~~ that shall be the main contact for all communication between the board and the appraisal management company and ~~who~~ that shall also serve as the person upon ~~whom~~ which service of process may be made in a proceeding against the appraisal management company.

~~(b)~~(f) The controlling person designated pursuant to subsection ~~(a)~~ (e) of this Code section shall:

(1) Have never had a license or certificate to act as an appraiser refused, denied, canceled, surrendered in lieu of a pending revocation, or revoked in any state;

(2) Be of good moral character with regard to reputation for honesty, trustworthiness, and integrity, as determined by the board; and

(3) Submit to a background investigation, as determined by the board.

~~(c)~~(g) Each appraisal management company shall certify to the commission on an annual basis that it:

(1) Includes instructions to appraisers in letters of engagement to decline the assignment in the event the appraiser is not geographically competent or the assignment falls outside the appraiser's scope of practice restrictions;

(2) Has a system in place to verify that the appraiser receiving the assignment holds a license or registration in good standing in the State of Georgia and has not had a license or certificate to act as an appraiser refused, denied, canceled, surrendered in lieu of a pending revocation, or revoked in any state;

(3) Has a system in place to perform an appraisal review on a periodic basis of the work of all appraisers who are performing appraisals for the appraisal management company to validate that the appraisals are being conducted in accordance with the standards for real estate appraisals established by the board;

(4) Has reported to the board the results of any appraisal reviews in which an appraisal is found to be substantially noncompliant with the standards for real estate appraisals established by the board or any state or federal laws pertaining to appraisals; and

(5) Maintains records required to be kept by the board that the board is authorized to inspect.

~~(d)~~(h) An appraisal management company doing business in this state shall not:

(1) Knowingly employ any person directly involved in real estate appraisal or appraisal management services who does not hold a license or registration in good standing in the State of Georgia or who has had a license or certificate to act as an appraiser refused, denied, canceled, surrendered in lieu of a pending revocation, or revoked in any state;

(2) Knowingly enter into any independent contractor arrangement, whether in oral, written, or other form, with any person for the performance of real estate appraisal services who does not hold a license or registration in good standing in the State of Georgia or who has had a license or certificate to act as an appraiser refused, denied, canceled, surrendered in lieu of a pending revocation, or revoked in any state;

(3) Knowingly enter into any contract, agreement, or other business relationship directly involved with the performance of real estate appraisal or appraisal management services, whether in oral, written, or any other form, with any entity that employs, has entered into an independent contract arrangement, or has entered into any contract, agreement, or other business relationship, whether in oral, written, or any other form, with any person who does not hold a license or registration in good standing in the State of Georgia or who has had a license or certificate to act as an appraiser refused, denied, canceled, surrendered in lieu of a pending revocation, or revoked in any state;

(4) Request or require an appraiser to modify any aspect of an appraisal report unless the modification provides additional information about the basis for a valuation, corrects objective factual errors in the appraisal report, or provides additional information within the appraisal regarding additional sales provided through an established dispute process;

(5) Require an appraiser to prepare an appraisal if the appraiser, in the appraiser's own independent professional judgment, believes the appraiser does not have the necessary expertise for the assignment or for the specific geographic area and has notified the appraisal management company and declined the assignment;

(6) Require an appraiser to prepare an appraisal under a time frame that the appraiser, in the appraiser's own professional judgment, believes does not afford the appraiser the ability to meet all the relevant legal and professional obligations, and the appraiser has notified the appraisal management company and declined the assignment;

(7) Prohibit or inhibit legal or other allowable communication between the appraiser and a lender, a real estate licensee, or any other person who the appraiser, in the appraiser's own professional judgment, believes possesses information that would be relevant;

(8) Knowingly require an appraiser to take any action that does not comply with any provision of this chapter and the rules and regulations promulgated by the board or any assignment conditions and certifications required by the client for whom an appraisal is being performed;

(9) Make any portion of its fee or the appraiser's fee contingent on a predetermined or favorable outcome including, but not limited to, a loan closing or a specific dollar amount being determined by the appraiser in the appraisal;

(10) Prohibit any appraiser who is part of an appraiser panel from recording the fee that the appraiser was paid by the appraisal management company for the performance of the appraisal within the appraisal report that is submitted by the appraiser to the appraisal management company;

(11) Alter, modify, or otherwise change a completed appraisal report submitted by an appraiser by:

(A) Permanently removing the appraiser's signature or seal; or

(B) Adding information to or removing information from the appraisal report with an intent to change the valuation conclusion; or

(12) Require an appraiser to provide the appraisal management company with the appraiser's digital signature or seal; provided, however, that an appraiser shall not be prohibited from voluntarily providing such appraiser's digital signature or seal to another person.

~~(e)~~(i) An appraisal management company shall not pay any fees to an appraiser performing or attempting to perform any real estate appraisal activity in a ~~federally-related~~ covered transaction without complying with the rules and regulations adopted by the board to regulate such transactions in accordance with 15 U.S.C. Section 1601, et seq., and the regulations promulgated thereunder ~~and the standards required by the federal financial institutions regulatory agency that regulates the financial transaction for which the appraisal assignment is undertaken~~, including, but not limited to, compensation to appraisers that is customary and reasonable for appraisals being performed for one-to four-family residential units in the market area of the property being appraised. An appraisal management company shall separately state to the client the fees paid to an appraiser for appraisal services and the fees charged by the appraisal management company for services associated with the management of the appraisal process, including procurement of the appraiser's services.

~~(f)~~(j) An appraisal management company shall be held responsible for the actions of its controlling person affiliated with such appraisal management company should such controlling person violate any of the provisions of this chapter or any rules and regulations promulgated by the board or engage in any unfair trade practices.

~~(g)~~(k) Whenever the board initiates an investigation as provided for in Code Section 43-39A-22 and the evidence gathered in the investigation reveals an apparent violation by the appraisal management company of this chapter, of the rules and regulations promulgated by the board, or of any unfair trade practices, including, but not limited to, those listed in this Code section, the board shall file notice of hearing in accordance with Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act.' Whenever an appraisal management company has been found guilty of a violation of any provision of this chapter or the rules and regulations promulgated by the board, or of any unfair trade practices after such hearing has taken place, the board shall have the power to take any one or more of the following actions:

- (1) Refuse to grant or renew registration to an appraisal management company;
- (2) Suspend or revoke the registration of an appraisal management company;
- (3) Impose a fine not to exceed \$1,000.00 for each violation of this chapter, of the rules and regulations promulgated by the board, or of any unfair trade practices with fines for multiple violations limited to \$5,000.00 in any one disciplinary proceeding or such other amount as parties agree; or
- (4) Take other appropriate disciplinary action as established by the rules and regulations of the board.

(l) The board is authorized to submit to the Appraisal Subcommittee information consistent with Appraisal Subcommittee regulations concerning appraisal management companies that operate in this state, including disciplinary actions, enforcement actions, or other relevant information pertaining to an appraisal management company holding a registration issued by the board.

(m) The board is authorized to establish rules and regulations requiring an appraisal management company to conduct its appraisal management services in accordance with federal regulations, including the federal Truth in Lending Act."

## SECTION 7.

Said chapter is further amended by adding new Code sections to read as follows:

"43-39A-14.2.

An appraisal panel may include appraisers that are engaged by or accepted by the appraisal management company for consideration for future appraisal assignments in covered

457 transactions or for secondary mortgage market participants in connection with covered  
 458 transactions.

459 43-39A-14.3.

460 (a) An appraiser shall be deemed part of an appraisal management company's appraiser  
 461 panel as of the earliest date on which the appraisal management company:

462 (1) Affirms acceptance of the appraiser for the appraisal management company's  
 463 consideration for future appraisal assignments in covered transactions or for secondary  
 464 mortgage market participants in connection with covered transactions; or

465 (2) Engages the appraiser to perform one or more appraisals on behalf of a creditor for  
 466 a covered transaction or secondary mortgage market participant in connection with  
 467 covered transactions.

468 (b) An appraiser who is deemed part of the appraisal management company's appraiser  
 469 panel pursuant to subsection (a) of this Code section shall remain on the panel until the date  
 470 on which the appraisal management company:

471 (1) Sends written notice to the appraiser removing such appraiser from the appraiser  
 472 panel, with an explanation of its action; or

473 (2) Receives written notice from the appraiser requesting to be removed from the  
 474 appraiser panel or notice of the death or incapacity of the appraiser.

475 (c) If an appraiser is removed from an appraisal management company's appraiser panel  
 476 pursuant to subsection (b) of this Code section, but the appraisal management company  
 477 subsequently accepts the appraiser for consideration for future assignments or engages the  
 478 appraiser at any time during the 12 months after the removal of such appraiser, such  
 479 removal shall be deemed not to have occurred and the appraiser shall be deemed to have  
 480 been part of the appraisal management company's appraiser panel without interruption.

481 (d) The period for considering appraisers on an appraisal management company's appraiser  
 482 panel shall be the 12 month period from the date of initial registration or each successive  
 483 12 month period thereafter."

## 484 **SECTION 8.**

485 Said chapter is further amended by revising subsection (a) of Code Section 43-39A-22,  
 486 relating to investigations, subpoenas, confidentiality, access to records, publication of names  
 487 of disciplined appraisers and schools, and closed meetings, as follows:

488 "(a) The board may, upon its own motion, and shall, upon the sworn written request of any  
 489 person, investigate the actions of any appraiser, applicant, appraisal management company,  
 490 or school approved by the board; ~~provided, however, that, whenever a request for~~  
 491 ~~investigation involves an appraisal report which varies from a sales, lease, or exchange~~

492 ~~price by 20 percent or less, or, if the appraiser or appraisal management company is acting~~  
493 ~~as a tax consultant, which varies from the tax assessor's value by 20 percent or less, the~~  
494 ~~board may in its discretion decline to conduct an investigation.~~ Except for investigations  
495 of applicants for appraiser classifications, investigations of allegations of fraudulent  
496 conduct, or investigations of possible violations of this chapter which have been litigated  
497 in the courts or arise from litigation in the courts, the board shall not initiate an  
498 investigation on its own motion or upon a sworn written request for investigation unless  
499 the act or acts which may constitute a violation of this chapter occurred within five years  
500 of the initiation of the investigation."

501 **SECTION 9.**

502 All laws and parts of laws in conflict with this Act are repealed.